# MARYLAND HEALTH CARE COMMISSION

## *UPDATE OF ACTIVITIES*

**November 2004**

## DATA SYSTEMS & ANALYSIS

**Maryland Trauma Physician Services Fund**

MHCC approved Children's National Medical Center's ("CNMC") Standby Cost Application in October for standby expenses incurred from October 2003 through June 2004. The law provides an annual grant of up to $275,000 to CNMC to subsidize the standby costs for an out-of-state pediatric trauma center providing trauma care to Maryland residents. CNMC submitted a Standby Cost Application in September that reported standby expenses of $575,292. MHCC prorated the funding request for nine months of the maximum allowed amount, yielding a payment of $206,250. The Office of the Comptroller will issue a check within several weeks. MHCC has now reimbursed all trauma centers and trauma physicians that applied for uncompensated and on-call payments for FY 2004 services.

Staff contacted several trauma physician practices to solicit feedback on improving the uncompensated care application process. This information will be used by staff to identify operational enhancements for the 2005 application period. The Fund will accept applications for the first period of the new cycle starting at the end of December through January 31st. Staff plans to collect additional feedback on operational enhancements from trauma physicians at its three statewide education sessions scheduled during the month of November.

Staff trained a number of smaller trauma physician practices regarding coding for Medicaid and Medicaid managed care organization (MCO) claims. The training should enable these practices to provide the proper documentation to obtain the elevated payments. Additional coding is required on paper and electronic claims in order to receive the Medicare payment rate from Medical Assistance.

MHCC staff presented an overview on the status of the Trauma Fund at TraumaNet's November meeting. The staff reported that the Commission had not recommended changes to eligibility for the fund as a result of the first year of operation, despite the significant fund balance. Several trauma centers noted that increased use of on-call could bring the fund into balance quickly because of the larger allowance. Several participants observed that Medicaid MCOs were still experiencing problems with implementation. MHCC staff will meet with the MCOs in December to review some of the feedback from TraumaNet.

During the month, staff issued Provider Information Bulletins (PIBs) clarifying trauma physician roster update requirements and secondary payments reporting rules. Over the last year, the Commission has issued nine PIBs to trauma physicians.

The law requires that payments made to trauma physicians and centers be adjusted annually. The MHCC will implement the 1.5 percent update to the Medicare Fee Schedule for services provided after January 1, 2005. MHCC will update the on-call payment maximums by 2.1 percent, which is the percent change in the physician 's wage and salary compensation component of the Medicare Economic Index as reported in the 2005 Medicare Fee Schedule update (see ***Medicare***

***Program; Revisions to Payment Policies Under the Physician Fee Schedule for Calendar Year 2005***, p. 669). Hospitals will be eligible for the higher on-call payments up to the ceilings shown in Table 1 for on-call hours provided after January 1, 2005.

**Table 1**
**Maximum On-Call Payments to Level II and Level III Trauma Centers for On-call Services Provided after January 1, 2005.**

| Specialty | Non-metropolitan (Cumberland and Salisbury) | Metropolitan areas less than one million (Hagerstown) | Metropolitan areas greater than one million (Baltimore Washington) |
|---|---|---|---|
| Level II Trauma Centers | | | |
| Neurosurgery, Orthopedic Surgery | | | $357,758 |
| Level III Trauma Centers | | | |
| Anesthesiology | $216,074 | $258,386 | |
| Neurosurgery, Orthopedic Surgery, Trauma Surgery | $707,820 | $789,863 | |
| Total | $923,894 | $1,048,249 | $357,758 |

**Data Base and Application Development**

**Physician, Pharmacist, and Pharmacy Web-based License Renewal Initiative**
The Commission's staff continues to support the Maryland Board of Physicians and the Board of Pharmacy's Web-based renewal efforts. Commission staff have worked with Bank of America and Board of Pharmacy staff to migrate the revenue collection elements of the application to a new Bank of America interface that will streamline revenue collection reconciliation within the state, as well as support both credit card and automated clearing house (ACH) transactions. The current applications only support ACH which are also called electronic checking account transfers. Initial tests of the interface have been successful for the Board of Pharmacy application. Final production testing will occur the week of November 15th and the Board plans on activating the new interface beginning in late November. MHCC will not make the modifications to the financial interface to the Maryland Board of Physicians' application until just before the next physician renewal cycle begins in July 2005.

**Release of Sub-acute Utilization Reports**
MHCC published utilization summary reports for the first half of 2004 for the 22 sub-acute units and chronic care hospitals that participate in the Commission's Sub-acute Survey. The reports

present side-by-side utilization information for each facility and its comparison group of facilities in the state. The reports are targeted to facility administrators that are responsible for operations and performance of the sub-acute units and chronic hospitals. The information is available at http://www.mhcc.state.md.us/surveyinfo/Sub_Facility_Search.asp.

**2004 Maryland Long-Term Care Survey**
Staff completed the editing of the 2004 survey during November. The survey is now available for internal and external use. The editing was completed very efficiently due to improved accuracy of the data provided by the facilities, the software improvements made in the Web-based survey and the diligence of staff in quickly auditing the results. The survey data will be used to update the Nursing Home Quality Reporting System next month. Information on adult day care centers has already been released to their association. Staff is developing an assisted living facility Internet application that will provide information on characteristics of site and utilization profiles to consumers. This site will use some powerful search and query features from .NET that are currently not available via other Commission applications. Staff plans to present a preview of the website to the Commission in February.

**Cost and Quality Analysis**

**State Health Care Expenditures**
Staff will release the 2003 State Health Care Expenditures Report in January. Preliminary estimates from the project show that total health care spending growth was in the 11 percent range. Private spending grew at a slightly faster rate, while the growth in government spending was around 10 percent. Out-of-pocket spending grew slightly faster than total spending. Although some national estimates have reported slower growth in private spending in 2003, Maryland spending growth will be on par, or a bit higher, than was reported for 2002.

**Insurance Coverage Report**
Staff will present results from the report, *Maryland Health Insurance Coverage through 2003*, at the November Commission meeting. A draft copy of the report will be sent to Commissioners once the Levine & Associates, Inc. staff have completed the graphics for the report.

**Morbid Obesity Task Force**
The Morbid Obesity Task Force has met five times and is nearing completion of its work.
The Task Force's primary charge was to recommend a set of guidelines that are appropriate for the utilization review of the surgical treatment of morbid obesity, and reasonable procedures for documenting patient compliance with the guidelines.
The larger payers in the state currently conduct utilization review (UR) of bariatric surgery when these surgeries are permitted under an insurance contract covered by the mandate. The law (SB 868) permitting UR of bariatric surgery will sunset in 2005.

Carriers' current UR procedures generally follow the National Institutes of Health (NIH) 1991 consensus statement on surgical treatment of obesity and subsequent NIH guidelines on treatment of obesity. However, the NIH documents are sufficiently vague so that variations in application exist. Providers contend that the differences make it difficult for physicians and patients to understand how to conform to the utilization review criteria of any particular carrier. The current mandate affects all private insurance products, except the Comprehensive Standard Health Benefit Plan (CSHBP). Bariatric surgery is permitted under the CSHBP when required by medical necessity.

The Task Force has completed a draft report containing five recommendations for consideration by the legislature. These recommendation state that the legislature should continue the mandate for morbid obesity and request that the Maryland Insurance Administration adopt regulations that define the criteria that carriers should use for conducting UR under the mandate. The Task Force also recommends that carriers show flexibility in enforcing the guidelines, particularly those pertaining to participation in structured diet programs. Please note that the Task Force recommendations do not have a direct impact on the CSHBP.

**EDI Programs and Payer Compliance**

**HIPAA Awareness**

Staff presented the *MHCC Security Assessment Guide* to the EDI/HIPAA Workgroup (workgroup) at its October 12th meeting. The guide is intended to educate practitioners on the requirements, act as a source of information for completing a gap assessment, and aid in the development of policies and procedures. Comments by the workgroup were added to the final version which is scheduled for distribution during the first week of November. Staff is currently developing an electronic version of the *MHCC Security Assessment Guide* which is targeted for release at end of November.

The Commission's HIPAA education and awareness initiatives continued throughout October. Over the last month, staff received approximately seventeen telephone inquiries from payers and providers requesting support information on HIPAA. During the month, staff provided support to the following organizations:

- Western Maryland Dental Association
- Montgomery County Medical Association
- Robinwood Medical Center
- Upper Chesapeake Practice Administrators
- Chestertown Medical Group Management Association
- MedChi's annual conference
- Doctors Community Hospital
- Maryland Ambulatory Surgical Association

**EDI Promotions**

Last month, staff provided consultative services to three electronic health networks (networks) interested in obtaining MHCC-certification: Misys, Health Fusion, and ICC Connections. Staff is scheduled to meet with representatives of Post-N-Track, a network that has just begun providing Web-based services for Cigna, in early November. During the month, staff reviewed network services of RealMed and HealthFusion. On occasion, networks' representatives meet with staff to provide an update on their products and solicit feedback about the Maryland market. Networks that are interested in expanding into Maryland view MHCC as helpful resource in their business development efforts.

In October, EHNAC's (Electronic Healthcare Accreditation Commission) Board approved Protologics' self-assessment and site review audit. Protologics, a Maryland-based small business, is seeking certification under the Commission's small network certification program. The Commission is expected to take action on staff's recommendation for MHCC-certification at the November meeting. EHNAC accreditation is granted for a two year period. Protologics is scheduled to renew its EHNAC accreditation in 2006. Staff also completed reviewing the self assessment documentation for Electronic Network Systems (ENS). This network is seeking

MHCC-certification for a second two year term. Existing regulations require that payers doing business in Maryland only accept claims from EHNAC accredited/MHCC certified networks.

Staff continued to develop the draft *2004 EDI Progress Report* using the EDI Progress Report information provided by most payers doing business in the state. Payers report annually on their share of electronic and paper health care transactions. Approximately forty-seven payers contributed to the *2004 EDI Progress Report*. The final report is targeted for release in early December. Staff intends to notify payers required to submit an EDI Progress Report in 2005 during the month of December.

Last month, staff completed development of a draft e-Script Accreditation Criteria document. The criteria include a broad set of standards that can be used to accredit/certify the business process of e-script networks. Leading contributors to the document included SureScripts, RX HUB, DrFirst, PayerPath, EHNAC, Health Business Systems, ProxyMed, WebMD, CareFirst of Maryland, EPIC Pharmacies, Claredi, NCPDP, and University Physician, Inc. All combined, approximately twenty-three individuals representing networks, payers, providers, and consumers participated in the criteria development. Staff will present the draft e-Script Accreditation Criteria document to the EHNAC Commission at its December meeting in Chicago, Illinois. MHCC and EHNAC are expected to adopt the criteria early in 2005.

**Institutional Review Board Action**
Staff have approved release of the *District of Columbia Hospital Database Limited Data Set* to Montgomery County General Hospital.

PERFORMANCE & BENEFITS

**Benefits and Analysis**

**Small Group Market**

**Comprehensive Standard Health Benefit Plan (CSHBP)**

At the May 2004 meeting, Commission staff presented the carrier financial survey for the year ending December 31, 2003 along with Mercer's analysis of proposed benefit changes to the CSHBP. The staff report and recommendations on proposed changes to the Plan were presented at the September 2004 meeting. Staff recommended no changes to the Standard Plan except for technical changes to correct out-dated cross-references. The Commission unanimously approved the staff recommendation to make no changes to the Standard Plan.

**Limited Health Benefit Plan (LHBP)**

In 2004, the Maryland General Assembly enacted SB 570, requiring the Commission to develop a Limited Health Benefit Plan (LHBP) that will be available to certain small employers beginning July 1, 2005. Commission staff organized a work plan for this project: two meetings of interested parties were held last summer; staff presented a draft of a proposed LHBP at the October 2004 meeting; and, a public hearing on the draft proposals was held on November 4, 2004. Six individuals or groups of interested parties provided testimony at the public hearing regarding the draft proposals which had been previously submitted to more than one hundred advocates and stakeholders. Since the public hearing, staff has been working with Mercer, its consulting actuary, as well as with representatives of CareFirst and MAMSI to develop alternative proposals that meet the statutory requirement of pricing the LHBP at seventy percent of the cost of the CSHBP as of December 31, 2004. Staff will present draft regulations for the proposed LHBP at the December meeting.

**Website**

Commission staff has developed a website to be used as a guide for small business owners in their search for health insurance for their employees. This "Guide to Purchasing Health Insurance for Small Employers" is available on the Commission's website at: www.mhcc.state.md.us/smgrpmkt/index.htm. Commission staff has developed a bookmark describing information available on the small group website. This bookmark has been distributed to various interested parties, such as small business associations, Chambers of Commerce, the Maryland legislature, the Department of Labor, Licensing and Regulation (DLLR), and the Department of Business and Economic Development (DBED). As a result of the initial mailing, many of these organizations have requested additional bookmarks to distribute to their constituents.

**Health Savings Accounts**

In December 2003, Congress passed the Medicare Prescription Drug, Improvement and Modernization Act, authorizing the offering of health savings accounts (HSAs) in conjunction with high deductible health plans. This product became available to small employers in Maryland effective July 1, 2004 if carriers elect to develop and market it. The CSHBP regulations have been modified to accommodate this offering during the transition period (for contracts sold between July 1, 2004 and December 31, 2004) and may have to be further modified to accommodate additional federal guidelines in the future. Aetna began offering an HSA-compatible PPO product in Maryland's small group market in August 2004.

The National Association of Health Underwriters (NAHU) has added a new section to its website entitled, "Understanding Health Savings Accounts." This link (http://www.nahu.org/consumer/HSAGuide.htm) also has been linked to the above-mentioned Commission website for small businesses.

**Study of the Affordability of Health Insurance in Maryland**
The 2004 General Assembly enacted SB 131, requiring the Commission and the Maryland Insurance Administration (MIA) to conduct a study of the affordability of private health insurance in Maryland. An interim report, including findings and recommendations from the study, is due by January 1, 2005. The final report is due by January 1, 2006.

**Evaluation of Mandated Health Insurance Services (2004)**
Pursuant to the provisions of § 15-1501(f)(2) of the Insurance Article, *Annotated Code of Maryland,* Commission staff has requested that members of the House Health and Government Operations and Senate Finance Committees submit any proposals for mandated health insurance services that they would like included in the annual evaluation. As required under current law, the Commission must evaluate all mandates enacted or proposed by the General Assembly and new suggestions submitted by a member of the General Assembly by July 1st of each year. Two requests for mandate evaluation have been submitted by members of the General Assembly. One request is to evaluate wraparound mental health services for children. The other request is to evaluate air ambulance services.

**Legislative and Special Projects**

**Uninsured Project**
DHMH, in collaboration with the MHCC and the Johns Hopkins School of Public Health, was awarded a $1.2 million State Planning Grant by the Health Resources and Services Administration (HRSA). HRSA is the federal agency that oversees programs to ensure access to care and improve quality of care for vulnerable populations. The one-year federal grant provides Maryland with substantial resources to examine Maryland's uninsured population and employer-based insurance market and to develop new models to make comprehensive health insurance coverage fully accessible to all Maryland residents.

Among the several activities, the grant has enabled DHMH and MHCC to conduct further analysis of existing quantitative data sources (Maryland Health Insurance Coverage Survey, MEPS-IC, and CPS), as well as collect additional data to help design more effective expansion options for specific target groups. In addition, focus groups with employers were conducted in order to better understand the characteristics of firms not currently participating in the state's small group market. A report summarizing the findings from the focus groups is available through a link on the Commission's website.

A seventh meeting with the Health Care Coverage Workgroup was held on August 30, 2004. This group, appointed by the former Deputy Secretary for Health Care Financing, is comprised of members who represent the provider, business, health care advocacy, and health care research communities in Maryland. During the August meeting, staff from the MHCC updated the Workgroup on the development of the small group limited benefit plan. In addition, Elliot Wicks from the Economic and Social Research Institute presented findings from an analytic report titled "Tax Options to Promote the Purchase of Health Insurance." This analysis was conducted at the request of DHMH and MHCC staff in response to HB 967 (2004) which would have required the Commission to study and make recommendations on the use of tax incentives and penalties to increase the number of individuals who purchase health insurance. In addition, Alice Burton and

Isabel Friedenzohn from AcademyHealth presented information on other state initiatives to increase the number of individuals with health insurance, and staff from DHMH presented information on Maryland's request to the federal government for a waiver to expand its primary care program. This meeting was the last time the Workgroup would meet in a formal setting; however, it was announced that the Workgroup would convene at a later date to review the remaining projects of the HRSA State Planning Grant.

The grant team was awarded a one-year, no cost extension of the project timeline, with an interim report submitted to the Secretary of the Department of Health and Human Services (HHS) in November. DHMH has applied for another one-year, no cost extension to extend the grant activities to August 2005. During this period, DHMH will conduct a telephone survey of Medicaid recipients to clarify the discrepancy in data between the number of Medicaid enrollees listed in DHMH's administrative data and the number of Maryland Medicaid enrollees reported in the Census Bureau's Current Population Survey (CPS). MHCC staff is providing technical assistance. In addition to the Medicaid analysis, the remaining funding through the grant will be used for projects approved by the HRSA State Planning Grant administrative staff, such as (1) developing an outreach strategy for its Primary Care Waiver once it is approved by the Centers for Medicare and Medicaid Services (CMS); (2) providing funding for the analysis of the Maryland data from the Medical Expenditure Panel Survey – Insurance Coverage (MEPS-IC), as well as the layout design and printing of the report (please note that MHCC is taking the lead in overseeing this project); (3) providing funding for modeling fiscal and other impacts of a statutory requirement that high-income individuals who do not purchase health insurance be subject to an income tax penalty; and (4) funding for an update to the Interim Report to HRSA and the Final Report due to HRSA in August 2005. The grant's supplemental funds that remain from the previous year total approximately $170,000 and are under the purview of the Department of Health and Mental Hygiene (DHMH), not the Maryland Health Care Commission.

The final report is due to HHS at the end of the contract period and must outline an action plan to continue improving access to insurance coverage in Maryland. A report outlining the options to expand coverage to Maryland's uninsured was delivered to the members of Maryland's General Assembly in February.

**Patient Safety**

Chapter 318 (HB 1274) of 2001 required the Commission, in consultation with DHMH, to study the feasibility of developing a system for reducing preventable adverse medical events. A Maryland Patient Safety Coalition was initiated by the Delmarva Foundation and served as the Commission's sounding board for its activities related to patient safety. Three workgroups were formed: one to look at issues related to systems changes to be recommended; one to address current regulatory oversight and reporting requirements; and a third to discuss issues related to a proposed Patient Safety Center.

Commission staff released a request for proposal (RFP) to designate the Maryland Patient Safety Center (MPSC). The Maryland Hospital Association and the Delmarva Foundation have been selected to jointly develop and operate the MPSC. Both organizations have agreed to fund the Center for the first three years. The Health Services Cost Review Commission (HSCRC) recently approved funding the MPSC during its first year ($762,500) through increased hospital rates. This amount is equivalent to fifty percent of the anticipated Center expenses and will be used in conjunction with funding from the MHA, Delmarva, and Maryland hospitals. A press conference announcing the designation was held on June 18, 2004 in Annapolis. Under the terms of the agreement, the Delmarva Foundation and the Maryland Hospital Association are required to submit semi-annual reports updating the status and progress of the MPSC. The first report, due to

the MHCC in December 2004, is anticipated to contain information on the start-up activities of the MPSC, including the staffing of the Advisory Board and the education activities undertaken by the MPSC.

**"Prescription Drug Safety Act"**
The Maryland Board of Pharmacy and the Board of Physicians recently requested that Commission staff participate in a Workgroup to study the issue of legibility of prescriptions and make recommendations for any statutory or regulatory changes needed to improve prescription legibility in order to enhance patient safety. HB 433, "Prescription Drug Safety Act", requires that prescriptions be legible and that the Secretary of Health and Mental Hygiene, in conjunction with the MHCC, the Board of Physicians, and the Board of Pharmacy, convene a workgroup of certain individuals specified in the bill. The Board of Pharmacy and the Board of Physicians are taking the lead on the study. They will request an extension of the study from November 2004 to November 2005. Commission staff has assisted them in drafting the letter of request and in providing background information describing the issues that will be considered in the study, as well as the current Maryland law regarding written prescriptions.

The study must include: (1) the appropriate content and format of a prescription; (2) the best means to inform and educate the writers of prescriptions if changes in prescription format or content are enacted; (3) the appropriate time frame and procedures for implementation of any changes enacted; (4) mechanisms for enforcement of any changes enacted; (5) the impact of any changes in the content or format of prescriptions on oral prescriptions; (6) whether pharmacists should be prohibited by statute from dispensing illegible prescriptions; and (7) the use and cost of computerized physician order entry and the feasibility of eliminating handwritten prescriptions after a specified date.

**Interim Staff Briefings**
On September 15th, the Executive Director of the MHCC presented to the Senate Special Commission on Medical Malpractice Liability Insurance on the Commission's legislative mandate to study the feasibility of developing a patient safety system in Maryland. The Director of the Maryland Patient Safety Center (MPSC) also spoke about the purpose and proposed activities of the MPSC. On October 19th, the Executive Director also briefed the Governor's Task Force on Medical Malpractice on the same issue.

The Deputy Director of Performance and Benefits briefed the House Health and Government Operations Committee on the status of the Maryland Hospital Performance Evaluation Guide on September 21st. In addition, on October 5th, the Deputy Director of Performance and Benefits briefed the House Health and Government Operations Health Insurance Subcommittee and the Ways and Means Tax Subcommittee on the insurance status of Maryland residents, along with the number of individuals without health insurance. The subcommittee was especially interested in reviewing the number of uninsured by income and employment status.

**2005 Legislative Session**
Members of staff have drafted a departmental bill for introduction during the 2005 legislative session to allow reasonable penalties to be applied to those entities that have failed to obtain a Certificate of Need (CON) or a required exemption when they were obligated under statute to do so and have proceeded with the project without Commission authorization. The proposed bill will also extend MHCC authority to impose reasonable penalties on entities that have received a CON but have not fulfilled required performance standards (i.e., a facility that was supposed to be constructed and operational by a certain date but has not opened, thus denying timely access to services to those in need). In addition, it will specify in law that monetary penalties imposed by

the Commission may not exceed $1000 per violation for each day the violation continues and will specify the factors used to determine the amount of any fine. Finally, the bill will increase, for hospitals only, the capital expenditure threshold that requires a CON from $1.25 million (required to be adjusted for inflation – now stands at approximately $1.6 million) to $2.5 million (adjusted for inflation annually).

**Facility Quality and Performance**

**Nursing Home Report Card**

Chapter 382 (SB 740) of 1999 required the Commission, in consultation with the Department of Health and Mental Hygiene and the Department of Aging, to develop a system to comparatively evaluate the quality of care and performance of nursing facilities. The web-based Nursing Home Performance Evaluation Guide is available through the Commission's website. The Guide includes a Deficiency Information page, data from the Minimum Data Set (MDS) and the MHCC Long Term Care Survey, as well as an advanced search capability, allowing consumers to search by facility characteristics and certain services.

In addition to indicators selected by the Maryland Nursing Home Performance Evaluation Guide Steering Committee, the site also includes the quality measures that are reported on the CMS Nursing Home Compare Website. Inclusion of this information on the Maryland site provides consumers with the ability to obtain comprehensive information in one location. The CMS measures were enhanced in January 2004 and are now consistent with the consensus recommendations from the National Quality Forum. The fourteen enhanced quality measures build on the original ten measures and provide additional information to help consumers make informed decisions. The Web site was updated with the new measures on March 15, 2004.

**Evaluation of the Nursing Home Guide**

On August 25, 2003, the Commission contracted with the Lewin Group to perform an evaluation of the nursing home performance evaluation guide. The purpose of this procurement was to conduct interviews with consumers and discharge planners to test the Guide in real-time with respondents using computers. The objectives of the study included: (1) evaluating consumer/professional usage, preferences, and understanding of the Guide; (2) determining ease in navigating through the website; (3) developing recommendations to improve the Guide; and (4) recommending outreach strategies to increase the utilization of the Guide. The Nursing Home Report Card Steering Committee is in the process of prioritizing the recommendations.

**Nursing Home Patient Satisfaction Survey**

The Commission contracted for the development of a nursing home patient satisfaction survey or the recommendation of an existing tool that provides information for consumers that can be integrated into the Maryland Nursing Home Performance Evaluation Guide. A report that included a review of the literature and interviews with representatives in various states was presented to the Nursing Home Performance Guide Steering Committee during its January 2004 meeting for review and comment. In March 2004, the Nursing Home Performance Guide Steering Committee recommended that the MHCC proceed with the self-administered family satisfaction survey and also pursue a pilot project in collaboration with the Agency for Healthcare Research and Quality (AHRQ) to pilot the Nursing CAHPS tool for resident satisfaction.. The RFP for the family satisfaction survey was released on November 1, 2004. The deadline for receipt of proposals has been extended to December 3, 2004.

**Nursing Home Patient Safety**
The Steering Committee began discussion of nursing home patient safety measures that are appropriate for public reporting. The Committee was presented with an overview of the literature and activities in other states, as well as a list of ten common patient safety measures. The Steering Committee agreed that the Commission should begin with reporting health care facility-acquired infections and staffing as two indicators of safety.

**Hospital Report Card**
Chapter 657 (HB 705) of 1999 required the Commission to develop a performance report on hospitals. The Commission contracted with the Delmarva Foundation, in partnership with Abt Associates, to: (1) analyze hospital data to develop appropriate indicators for inclusion in the Hospital Performance Evaluation Guide, and (2) design and execute a consumer-oriented website for the Guide. The initial version of the Hospital Performance Evaluation Guide was unveiled on January 31, 2002 and included facility characteristics and utilization information as well as general information about hospital services.

A new edition of the Hospital Guide was released in May 2003. The revised Guide included quality of care information specific to the treatment and prevention of congestive heart failure and community acquired pneumonia, including individual hospital rates, the state average, and the highest rate achieved by a hospital for each of the measures. The first sets of conditions were selected from the Joint Commission on Accreditation of Healthcare Organization's (JCAHO's) ORYX initiative, which collects quality of care information from hospitals in a method designed to permit rigorous comparisons using standardized evidence-based measures. The quality measures data were updated in June 2004 to include information from the 3rd and 4th quarter of 2003. During this update, the time period for administering an antibiotic for pneumonia within a timely manner was reduced from eight hours to four hours. Additionally, the percent of patients receiving the recommended pneumococcal vaccination prior to discharge was added to the site.

The Hospital Guide continues to feature structural (descriptive) information and the frequency, risk-adjusted length-of-stay, and risk-adjusted readmissions rates for thirty-three high volume hospital procedures. DRG data were updated to include admissions occurring between December 1, 2001 and November 30, 2002 and were posted on the Website in November 2003. MHCC staff is in the process of preparing for the December 2004 release of the data.

**New Core Measures**
The MHCC Commissioners approved the release of a call for public comments regarding MHCC's intent to collect JCAHO's acute myocardial infarction (AMI) measures and to investigate obstetrical measures that may be suitable for public reporting. Hospitals were instructed to begin collection of AMI data effective October 1, 2003. The 4th Quarter 2003 AMI pilot data were provided to the hospitals for review on June 7, 2004. The Hospital Performance Guide Steering Committee met in July 2004 and determined that six new AMI measure will be publicly reported beginning in January 2005.

**Obstetrics Measures**
The Commission also convened an Obstetrics Workgroup to examine potential structure, process, and outcome measures that are appropriate for public reporting via the Guide. The workgroup developed an initial set of forty-two recommended elements which were forwarded to the Hospital Performance Guide Steering Committee for approval. The Commission's contractor, Delmarva Foundation, subsequently extracted the data for each of the elements using the HSCRC data base. The obstetrical data, along with an obstetrical services survey, were sent to each hospital for review. Several Web pages were then developed to display the data. A press

conference was held in May 2004 to roll out the revised Guide. The obstetrics information will be updated in December 2004.

**Redesign and Expansion of the Hospital Guide**
On August 25, 2003, the Commission contracted with the Lewin Group to perform an evaluation of the hospital performance guide. The purpose of this procurement was to conduct interviews with consumers, primary care physicians, and emergency department physicians to test the Guide in real-time with respondents using computers. The objectives of the study included: (1) evaluating consumer/professional usage, preferences, and understanding of the Guide; (2) determining ease in navigating through the website; (3) developing recommendations to improve the Guide; and (4) recommending outreach strategies to increase the utilization of the Guide.

The Hospital Report Card Steering Committee met in July 2004 to begin the redesign process. During this meeting, the Committee approved four major areas of expansion including the following:

- Include composite measures of quality in the Guide;
- Explore the use of different symbols (other than the circles) to present quality information;
- Develop a hospital compare function for the site; and
- Include mortality data

The Committee met on October 12, 2004 at the University of Maryland in Baltimore County to discuss detailed design issues.

**Patient Safety Public Reporting Workgroup**
The goal of the workgroup is to explore patient safety indicators that can be obtained from administrative data and then progress to other measures. The workgroup reconvened in October 2004. Staff presented preliminary AHRQ patient safety indicators and the workgroup recommended availability for private viewing by hospitals while the Committee evaluates which indicators will be appropriate for public reporting.

Recommendations for publicly reporting healthcare acquired infections were made. The plan proposes to expand the Guide to include information on hospital associated infections– including both process and outcome measures. MHCC will work with the CDC, CMS, Patient Safety Center and the Maryland Office of Epidemiology and Disease Control Programs on infection definitions, measurement, and collection. This plan will be presented to the Commission in November 2004 and subsequently released for public comment.

Additionally, the group has recommended that information regarding the availability of Intensivists in the Intensive Care Unit (ICU) and progress toward computerized physician order entry (CPOE) be included on the Web site. The workgroup members realize that there are varying definitions of CPOE and that some of the definitions may not be appropriate for use in Maryland at the current time; therefore, careful consideration will be given to components selected for reporting. Questions regarding Intensivists and CPOE were included with the hospital "Facility Profile Information" distributed near the end of October.

Staff will continue to work with the HSCRC, AHRQ, and others to produce data reports for the workgroup's review. Lastly, the workgroup recommended that the JCAHO patient safety

measures be reported when they become available by either linking to the JCAHO report or adding the data to the Maryland Guide directly.

**Patient Satisfaction Project**
MHCC participated in a three-state hospital public reporting pilot project initiated by CMS. The Hospital Performance Guide Steering Committee served as the steering committee for the pilot. The Committee serves as the primary vehicle for obtaining input and consensus prior to initiating the state specific activities.

The Hospital Performance Guide Steering Committee received a briefing on the pilot results in January 2004 and agreed that Maryland should pursue the use of the tool to collect patient satisfaction data for the Maryland Hospital Guide. MHCC staff then met with representatives of CMS and AHRQ to discuss an additional pilot test of the tool. A proposal with a complete study design was submitted to AHRQ on April 6, 2004 to request permission to use the HCAHPS tool.

MHCC received approval to use the revised HCAHPS tool in another pilot that began in October 2004. MHCC received hospitals' submissions of four months of discharge data at the beginning of November 2004. The sample of patients to be surveyed will be drawn from the forty-seven acute care hospitals in Maryland. Pediatric and other specialty hospitals (e.g., cancer facilities) will be excluded.

An average of 220 surveys per hospital will be sent to the selected participants in an effort to obtain one hundred completed surveys by mail or telephone. Discharges will be classified as medical, surgical, or obstetrics services based on the DRG code. The surveys will be randomly distributed across patients discharged from the hospital for medical, surgical, or obstetrics services (total=4,700 surveys for the state).

**Ambulatory Surgery Facility Report Card**
Chapter 657 (HB 705) of 1999 also required the Commission to develop a performance report for Ambulatory Surgery Facilities (ASFs). The Commission developed a web-based report that was also released on May 16, 2003. The 2003 data are now available and will be added to the site within the next month.

The website contains structural (descriptive) facility information including the jurisdiction, accreditation status, and the number and type of procedures performed in the past year. The site will also include several consumer resources.

An ASF Steering Committee was convened to guide the development of the report and consists of representatives from a multi-specialty facility, a large single specialty facility, an office based facility, a hospital based facility, and a consumer representative. An exploratory meeting was held with a subset of this group. Subsequently, the Steering Committee members provided input on several of the proposed web pages including a consumer checklist, glossary, and list of resources.

**HMO Quality and Performance**

**Distribution of HMO Publications**

**Distribution of 2004 HMO Publications**

| **Cumulative distribution: Publications released 9/27/04** | **9/27/04- 10/31/04** | |
|---|---|---|
| | **Paper** | **Web-based** |
| **Measuring the Quality of Maryland HMOs and POS Plans: 2004 Consumer Guide (22,000 printed)** | 17,131 | Visitor sessions = 921 |
| **2004 Comprehensive Performance Report: Commercial HMOs & Their POS Plans in Maryland (600 printed)** | 521 | Visitor sessions = 377 |
| **Measuring the Quality of Maryland HMOs and POS Plans: 2004 State Employee Guide— 50,000 printed and distributed during open enrollment** | | |

**7th Annual Policy Report (2003 Report Series) –**
**Released January 2004; distribution continues until January 2005**

| | | |
|---|---|---|
| **Maryland Commercial HMOs & POS Plans: Policy Issues (1,000 printed)** | 714 | Visitor Sessions = 815 |

**Distribution of Publications**
Division staff completed fall distribution to all of the regular outlets that circulate the consumer-oriented publication. Additionally, all public and academic libraries received reference copies of the *Comprehensive Report* for their patrons. After fulfilling orders requested in advance of the *Consumer Guide's* release, staff worked with Kaiser Permanente representatives to supply a sufficient number of copies for the organization's outreach to employer groups. Broader community outreach conducted during October by the Maryland Insurance Administration continued to include the *Consumer Guide* among the materials distributed at the scheduled events resulting in the release of six hundred copies to attendees.

The Office of Personnel Management (OHM) will host an employee benefits fair in November. MHCC has been invited to participate in the event where federal employees in Washington D. C. and surrounding areas will have the opportunity to meet with benefit representatives from the various plans offered for 2005. Staff will again work to ensure that OPM includes a link on its website to the electronic versions of the HMO performance reports. Another large employer, Constellation Energy, notified MHCC early in October of the installation of a link to the reports on its intranet for employee use.

**2004 Performance Reporting: HEDIS Audit and CAHPS Survey**

**HEDIS Audit Activities**

HealthcareData.com (HDC), the Commission's contractor for the HEDIS audit, has completed all deliverables for the 2004 audit season. Based on newly published *Technical Specifications* by the National Committee for Quality Assurance (NCQA), staff revised recommendations for the Commission as to which HEDIS and Maryland-specific measures should be reported by commercial HMOs in 2005 and has developed new recommendations for reporting in 2006. This November, staff will also recommend to the Commission the commercial HMOs meeting criteria for mandatory performance reporting in 2005 and 2006. Enrollment and premium information are supplied in an annual report from the Maryland Insurance Administration (MIA). MHCC staff recommendations will be posted for public comment on the Commission's website once approved for release. At the December meeting, the Commissioners will be asked to take final action on revised requirements for HMO reporting in 2005 and preliminary requirements for reporting in 2006.

**Consumer Assessment of Health Plan Study (CAHPS Survey)**

Synovate, the CAHPS vendor, completed the final deliverable of the contract in July. Staff began preparing for the next survey by reviewing the CAHPS survey instrument and MHCC-specific questions included in the 2004 survey. After confirming which, if any, supplemental questions plans will include on the 2005 survey, staff prepared a spreadsheet submission form required by NCQA for the supplemental question approval process. Transmittal letters and associated correspondence have been drafted and will also be submitted in November for that organization's review and approval for use.

**Report Development—2004 Report Series**

MHCC staff continues to work with NCQA in creating the *Policy Issues* report. The design and layout will match the features used in the *Consumer Guide*. Division staff provided the contractor with a detailed list of content changes and targeted issues. Creation of this final report is on schedule. Release of the report will coincide with the convening of the next session of the General Assembly.

**2005 Performance Reporting Procurement**

Requests for Proposals (RFPs) submitted by the HMO Quality & Performance Division for HEDIS Audit Services and CAHPS Survey Administration received approval from the Department of Budget and Management. The RFPs were mailed to vendors effective November 1st. A pre-bid conference for each contract was held November 10th.

## HEALTH RESOURCES

**Certificate of Need**

During October 2004, staff issued fourteen determinations of non-coverage by Certificate of Need (CON) review. One of these determinations was related to the merger of Mariner HealthCare, Inc. and NCARE Acquisition Corp. , which does not require CON review because there are no proposed changes in beds or services in any Mariner facilities as a result of the transaction.

The following applicants received determinations of non-coverage by CON review for proposed capital expenditure projects that were under the $1.6 million review threshold: the Goodwill Mennonite Home in Garrett County for the construction of an Alzheimer's Dementia unit; Cumberland Villa Nursing Center for the installation of a sprinkler system throughout the facility; and Friends House Retirement Community of Allegany County for the construction of a Dementia Special Care addition. In addition, the University of Maryland Medical Center in the City of Baltimore received a determination of non-coverage for a proposed $2,971,627 renovation of its Trauma Resuscitation Unit pursuant to its pledge not to raise rates for the hospital debt service.

In licensure-related activities, Garrett County's Goodwill Mennonite Home also received a determination of non-coverage by CON review for the increase of nine comprehensive care beds to be located in the new Alzheimer's Dementia Unit, for a total of 98 comprehensive care beds at the facility. Corsica Hills of Queen Anne's County received a determination of non-coverage for the permanent relinquishment of twelve temporarily delicensed comprehensive care beds leaving a total of 150 beds at the facility; Avalon Manor Health Care Center of Washington County received a determination of non-coverage for the temporary delicensure of fifty-one comprehensive care beds, taking the facility from 221 to 170 beds.

Other determinations of non-coverage by CON review were issued to Columbia Urological Surgery Center, LLC in Howard County for a change in the ownership of the facility upon the retirement of Dr. Thomas McLean; and to King Farm Presbyterian Retirement Community in Montgomery County for the establishment of a fifty-bed comprehensive care nursing facility as part of the continuing care retirement community.

Staff issued determinations of non-coverage by CON review to St. Mary's Multi-Specialty Surgery Center, Inc. of St. Mary's County for the establishment of an office-based surgery center on a new site in California, Maryland; to American Access Care of Baltimore, LLC in Baltimore County for the addition of a second procedure room; and to Central Maryland Surgical Center in Frederick County for the addition of two procedure rooms to the facility.

Staff also issued to Staff Builders/Tender Loving Care a determination that its authorized service area includes Anne Arundel, Baltimore, Carroll, Harford, Howard, Montgomery, and Prince George's Counties and the City of Baltimore.

Staff continues the process of reviewing and analyzing applications from Holy Cross Hospital, Southern Maryland Hospital Center, and Suburban Hospital for the establishment of a cardiac surgery and percutaneous coronary intervention service in the Metropolitan Washington area.

**Acute and Ambulatory Care Services**

Proposed changes to COMAR 10.24.12, the State Health Plan for Acute Hospital Inpatient Obstetric Services, were presented to the Commission at the October 19, 2004 meeting. The Commission reviewed the revised Plan chapter, which included input from an informal public comment period. The Commission approved the revised Plan chapter as proposed permanent regulations, with one additional change suggested by Commissioner Constance Rowe. Notice of the proposed action is scheduled to be published in the *Maryland Register* on November 29, 2004. Following a thirty day public comment period, the Plan chapter will be presented to the Commission at its January meeting for final action.

Holy Cross Hospital submits monthly reports to the Commission on the status of its construction project, pursuant to the March 2004 approval of the modification to the hospital's Certificate of Need. The purpose of these reports is to advise the Commission about any potential changes to the terms of the modified CON, including changes in physical plant design, construction schedule, capital costs, and financing mechanisms. The hospital's November update reports no changes to the project cost, the design, or the financing of this project.

**Long Term Care and Mental Health Services**

New provisions in the Commission's statute (formerly known as SB 732 of the 2003 legislative session) require the Commission to collect its own data from hospices statewide rather than depending on other sources of data. The Commission has a contract with Perforum to develop an online system for data collection. This new system was used for the first time for the 2003 data collection and resulted in a 100 % participation rate.

With completion of the 2003 hospice data, staff has developed a public use data set which will be posted on the Commission's website. A first version will be posted soon and will be updated as needed.

A conference call was held with Perforum on October 15, 2004 to review the current data collection and consider revisions for the 2004 survey. Consideration of possible data items to be added by the National Hospice and Palliative Care Organization was also discussed.

A meeting was held with the Hospice Network of Maryland on November 5, 2004. The current survey process was reviewed and participants suggested revisions for the 2004 survey process. There was also a discussion of the need to consider surveys of outcomes and family satisfaction. This will be pursued further in the future by the Commission in consultation with the Hospice Network.

Staff in the Long Term Care unit are reviewing materials prepared by consultants at Social and Scientific Systems and Mathematica Policy Research regarding nursing home bed need projections. A final conference call with the consultants is planned soon.

In response to a call from a consumer in Western Maryland regarding private pay rates charged at area nursing homes, staff worked with members of the data systems unit to provide the necessary information for the consumer to make an informed decision.

**Specialized Health Care Services**

The next meeting of the Primary Percutaneous Coronary Intervention (PCI) Data Work Group was held by conference call on November 15, 2004. The Work Group provided feedback on a defined data set, a proposal for conducting a pilot test of the data collection form, and a set of recommendations for data coordinating and monitoring.

The Steering Committee of the Advisory Committee on Outcome Assessment in Cardiovascular Care is scheduled to meet via telephone conference call at 6:00 p.m. on November 18th. The agenda will include final review of remaining subcommittee reports on Long Term Issues and on Quality Measurement and Data Reporting.

On October 28th, Commission staff attended a training session on Institutional Review Board (IRB) compliance conducted by the Office of the Inspector General of the Maryland Department of Health and Mental Hygiene (DHMH). The session included an examination of the authority, function, and responsibilities of the DHMH IRB, the responsibilities of the researcher, and the procedure for submitting a proposal to the IRB.

At its meeting on October 21st, the Work Group on Rehabilitation Data reviewed the most recent draft of the Statistical Brief on Acute Inpatient Rehabilitation Services, which is scheduled for release by the Commission in this month. The brief is one of a series designed to provide data annually for monitoring the availability and utilization of certain health care resources in compliance with the Commission's State Health Plan for Facilities and Services.

Staff began collecting data on the utilization of acute inpatient rehabilitation services in Maryland for the third quarter of calendar year 2004. The fifteen reporting facilities are required to submit data by November 22, 2004.

Staff also began collecting data on the utilization of bone marrow and stem cell transplant programs in Maryland, the District of Columbia, and Northern Virginia for the third quarter of 2004. Completed surveys from the seven reporting facilities, including one federal program, are due to the Commission by November 22nd.